RV BUSINESS

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R 21, 1991

RV EXPO '92: (clockwise, from left) Royals International Homestead fifth-wheel, Coachmen's Royal RD and the Legacy by Airstream.

7 Fast-Expanding Tiara Motor Coach To Be Sold

8 Van Conversions Dominated by Few Key Companies

8 Former Komfort Owners Plan Market Re-entry

9 GM Restyles Sport Utilities, Adds Pickups

9 Chassis Suppliers Warn of '94 Safety Regulations

9 Clarion Attracts Foreign Interest At South Bend

10 DNA Offers Park Models

11 Transport Regs Cinched in Some States

11 G-30 Vans by GM Beefed Up For 1992

12 Civilian 'Hummer' Due in '92

Industry Talks OK Certification, Franchise Ideas

As a result of direct talks, representatives of RVIA and RVDA have agreed, at least in principal, on a model dealer-manufacturer agreement and on revival of an RVDA technician certification program that had been shelved when RVIA withdrew support of that project last summer.

A selected group of dealers and manufacturers meeting at last August's Midwest Manufactured Housing and RV Show in South Bend, Ind., described their talks as "very productive" and dismissed previously well-publicized reports of a major rift between dealers and manufacturers as simply "misunder-

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Harrisburg Show Attendance Higher, Sales Activity Good

The East Coast may have underperformed other U.S. regions in the past couple of years, economically speaking, but those attending the RV Expo '92 in Harrisburg, Pa., certainly couldn't see many signs of economic softness amid the bustling displays at the State Farm Show Complex in Harrisburg.

Public days' attendance was 19,444, up by 2,276 from last year, at the Pennsylvania Recreational Vehicle & Camping Association (PRVCA) 23rd Annual RV Expo, Sept. 9-15. The show, which measured about a half-million square feet in exhibit space, also drew about 500 RV dealers.

"I think the East Coast is starting to come back," PRVCA Vice President Becky Lennington told *RV Business*. "And, certainly, this show is an indication. Things are starting to open up here. Getting ready to go into the retail portion of our show, we had more interest in this show by the general media than I think we've ever had before."

Exhibitor Haddon Smith, general manager for Media Camping Center, Hatfield, Pa., said he experienced demand for both towable and motorized products across a broad price spectrum during public days. "I think things stabilized back in the spring, and we've actually seen things starting to kick back into the way it was (before the

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Chassis: New Energy in '92 ____ 26

With RV chassis makers predicting renewed vigor for chassis sales in 1992, look for increased competition in every area, higher prices for Class C's, and new products and players in the fast-growing diesel arena.

WDA Convention ____ 32

Suppliers and distributors will get a chance for education and interaction at the Warehouse Distributors Association's Annual Executive Conference, Oct. 20-24 in Minneapolis, Minn. This overview provides a handy calendar of events.

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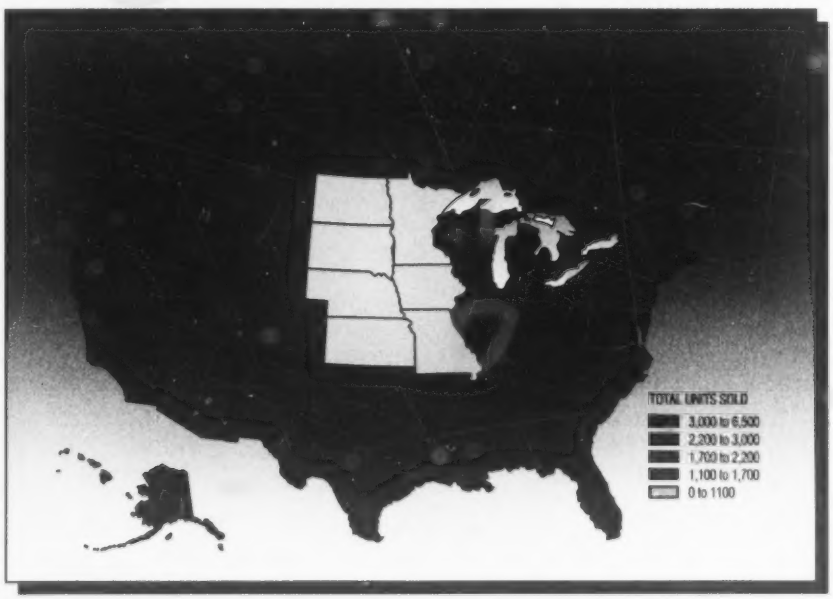
JUNE TRAILERS CONTINUE IMPROVEMENT; MOTORHOMES SLIP

THOMAS WALWORTH



East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast**: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific**: Alaska, California, Oregon, Washington, Hawaii; **South Atlantic**: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central**: Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama

June saw the RV-trailer market continue to improve over previous months, although it lagged behind 1990 year-to-date by 12.7%. In contrast, motorhomes slid a bit in June, off by 34.9% for the year-to-date.

The RV-trailer market was down 8.17% in June, which represented a 1,125-unit decline for RV trailers compared with June of 1990. Breaking the nation into seven regions, sales data have been used to rank those regions based on the percent of change in RV-trailer sales from June 1990, as shown in Figure 1 *(see page 21)*.

In the South Central region, which led the nation, Alabama logged the largest gain for June. The Northeast ranked last, with Maine registering the largest decline.

Year-to-date, the RV-trailer market was off 12.7% in June, which equated to a 7,954-unit decline compared with the first six months of 1990. Figure 2 ranks the nation's regions based on the percent of change in trailer sales from the same period of 1990.

The largest gain in sales in the top-ranked West North Central region was seen in North Dakota. The Northeast trailed, with the largest drop in New Hampshire.

Motorhome sales were off 39.1% in June, translating to a 2,067-unit decline compared with sales for the same month in 1990. Figure 3 ranks regions according to the percent of change in motorhome sales for this June compared with June 1990.

The leading South Central region had the largest gain for June, in Arkansas. The Northeast again fell to last place, and Maine had the region's largest decline.

Sales of motorhomes were down by 34.9% year-to-date, representing a 9,140-unit decline from the same six-month period last year. Based on the percent of change for the year-to-date through June, the nation's regions are ranked in Figure 4.

California, in the leading Pacific region, scored the best year-to-date, while the Northeast region ranked last, with its greatest decline recorded in New Jersey.

Perusing the Halfway Point

The last six months have been some of

AT RETAIL *continued*

RV TRAILERS, JUNE '91

June '91 Rank	Region	% of Change From June '90	May '91 Rank
1	S. Central	6.9	6
2	S. Atlantic	0.0	5
3	W.N. Central	−1.6	1
4	Mountain	−5.5	4
5	Pacific	−10.2	3
6	E.N. Central	−11.0	2
7	Northeast	−26.0	7

Figure 1

RV TRAILERS, YEAR-TO-DATE

June '91 Rank	Region	% of Change Year-to-Date	May '91 Rank
1	W.N. Central	−3.7	1
2	E.N. Central	−5.7	2
3	Mountain	−12.4	3
4	S. Central	−12.5	6
5	S. Atlantic	−12.6	4
6	Pacific	−15.0	5
7	Northeast	−23.8	7

Figure 2

MOTORHOMES, JUNE '91

June '91 Rank	Region	% of Change From June '90	May '91 Rank
1	S. Central	−30.2	3
2	Mountain	−31.9	5
3	E.N. Central	−34.2	4
4	W.N. Central	−35.6	6
5	Pacific	−38.2	1
6	S. Atlantic	−49.2	2
7	Northeast	−51.0	7

MOTORHOMES, YEAR-TO-DATE

June '91 Rank	Region	% of Change Year-to-Date	May '91 Rank
1	Pacific	−28.6	1
2	W.N. Central	−31.0	2
3	E.N. Central	−33.3	3
4	Mountain	−34.2	4
5	S. Central	−35.3	5
6	S. Atlantic	−44.4	6
7	Northeast	−45.2	7

Figure 4

the most unusual. Looking at the uncertainty caused by gas prices, unemployment and war, our market has taken a beating.

But the industry is in recovery. The RV-trailer market hit a low in February, falling 24.5% behind 1990 sales for the first two months. As of June, RV trailers were off by a much smaller 12.7% year-to-date. The motorhome market also hit its low in February at 42.9% below the 1990 sales volume, and it, too, improved by June, although lagging 34.9% behind the first six months of 1990.

In sum, the first six months of 1991 were not great, but, considering the year as a whole and the recent market improvement, it is clear that the worst is behind us for 1991. Δ

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.

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THE GAP NARROWS BETWEEN 1990 AND 1991

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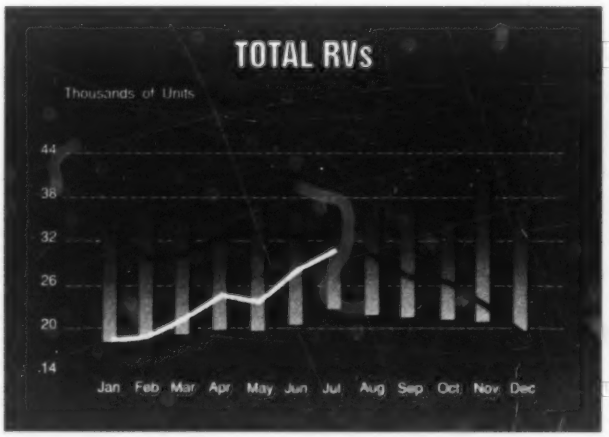
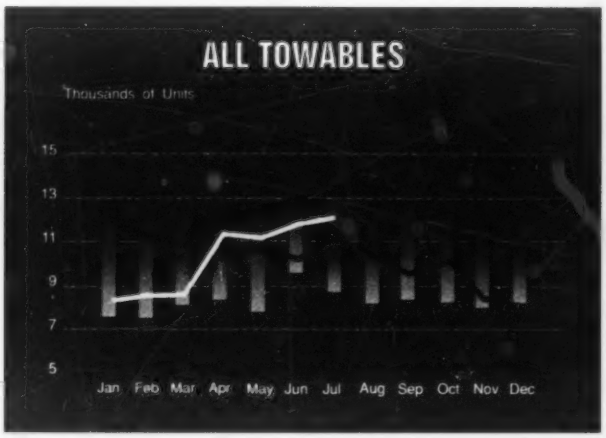


Figure 1



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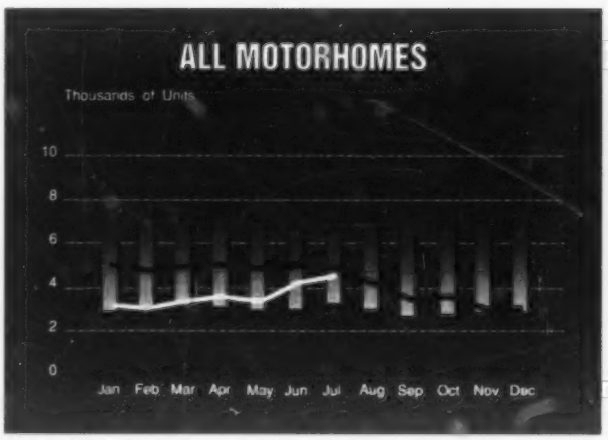

Figure 3

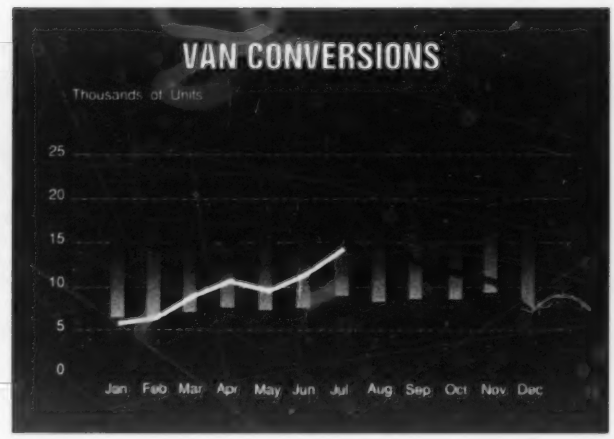

Figure 4

1981-90 Shipment's Range
1990 Monthly Shipments
1991 Monthly Shipments

July of 1990 was the last month to pass before Saddam Hussein and political events in the Persian Gulf grabbed worldwide attention.

Places that had no idea the Cable News Network (CNN) existed now have that service regularly because of the Gulf War. America's knowledge of geography has been expanded, and a new set of phrases has come into our language, including "SCUD" as a potentially potent entity that, more often than not, will be a dud.

Are the RV Figures a SCUD?

Figure 1 presents the latest RVIA shipments data, adjusted for normal seasonal variations. RV shipments continued to rise impressively. At 31,270 in July, they stood 78% above the recession low of 17,520 in January. In addition, July shipments were at their highest level since the Gulf War began and just slightly below the level of July 1990. Many observers would conclude that a nearly complete recovery had taken place.

Towables *(see Figure 2)* were actually at their highest level since January 1990. At nearly 12,100 units in July, towables had not just continued their rise from a recession low, they had gone on into the expansion phase of the economic cycle.

If Mr. Greenspan of the Federal Reserve, or Mr. Bush at the White House, or the wise men in the Congress had been watching these numbers, they would have been trumpeting about how their policies produced such good results. Strange, I did not see any of them designing, building or sell-

ing towables, but let us be generous and share the credit with them.

The politicians might not be as happy to share responsibility when you are reading the data for motorhomes and van conversions in Figures 3 and 4. The numbers in these two areas were good but not as spectacular. Motorhomes had their best month in a year and were very close to the level of last July 1990.

Van conversions continued to rebound from their abysmal low of less than 6,000 units in January 1991, achieving a level in excess of 14,600 units in July. This was the best month for van conversions since August 1990. There was still a way to go before the July 1990 figure would be surpassed, but the gap was closing.

The Detailed View

Figure 5 gives us two valuable pieces of information. First, it shows how each type of RV did in July compared with June 1991. Then it reports how each performed compared with July 1990. These comparisons suggest that the data are even better than implied by the aggregate numbers of Figures 1 through 4.

First, disregard the small decreases of less than 50 units, which amount to declines of 1% or less. Much of that can be statistical noise from the process of seasonal adjustment. Now, only one type of RV failed to advance in July from June 1991. (Park models alone did not improve or hold even in July.) The broad advance must serve as an encouraging sign that July was no SCUD.

Second, only four types of units were still below their July 1990 levels. In the far right-hand column of Figure 5, the overwhelming majority of the numbers are positive. The main reason that the industry was still 1,400 units off the July 1990 pace was that van conversions had yet to get up to speed. The 1,700-unit shortfall in van conversions more than accounted for the industry's total deficit.

In Figure 6, we see that the industry was still nearly 58,000 units below 1990's pace for the first seven months. This is a 26% deficit. Van conversions accounted for 72% of that deficit. As of July, only folding camping trailers had exceeded the 1990 level through July.

But the gap between the year-to-date numbers for 1991 and 1990 was closing in July. How quickly? These were the figures reported in column 4 of Figure 6 in the preceding months of 1991: Total RVs were behind the 1990 year-to-date pace in January by 46.9%; in February by 44.4%; in March by 40.2%; in April by 35.1%; in May by 32.9%; in June by 29.6%; and in the month of July by 25.9%.

Clearly, the industry was pulling closer and closer to 1990's shipment levels. From there on, as the 1990 monthly figures deteriorate, the gap should close rapidly. There is still a long way to go; in number of units, the year-to-date gap was still nearly 58,000 in July, and that is no small amount to be made up in just the remaining five months.

Towables were closest to erasing their year-to-date deficit. They were still short by

continued on page 37

RV SHIPMENTS—MONTHLY COMPARISONS

(Adjusted for seasonal variation)

Type of Units	Jul. '91	Change from Jun. '91 Number	Change from Jun. '91 %	Change from Jul. '90 Number	Change from Jul. '90 %
TOTAL RVs	**31,270**	**3,230**	**11.5**	**-1,370**	**-4.2**
Travel Trailers:					
Conventional	4,690	300	6.8	-280	-5.7
Park Models	720	-120	-14.5	120	20.3
Fifth-wheels	2,500	-30	-1.1	230	10.1
All Travel Trailers	7,910	150	1.9	70	0.9
Folding Camping Trailers	3,130	-20	-0.8	210	7.1
Truck Campers	1,050	340	47.1	320	43.6
TOTAL TOWABLES	**12,090**	**460**	**4.0**	**600**	**5.2**
Motorhomes:					
Class A	2,340	150	6.8	-220	-8.5
Class B	340	40	14.3	-230	-39.8
Class C:					
Minis	1,460	-10	-0.6	0	0.0
Low-Profiles	160	160	n/a	160	n/a
Micro-minis	250	50	27.4	0	0.0
Class C Total	1,870	210	12.5	160	9.6
TOTAL MOTORHOMES	**4,560**	**400**	**9.6**	**-280**	**-5.8**
TOTAL TOWABLES & MOTORHOMES	**16,650**	**860**	**5.5**	**320**	**1.9**
Multiuse Van Conversions	14,620	2,370	19.4	-1,690	-10.4

Note: Data rounded to nearest 10 units; n/a = not applicable.

Figure 5

RV SHIPMENTS—ANNUAL COMPARISONS

(Adjusted for seasonal variation)

Type of Units	Year-to-Date 1991	Year-to-Date 1990	Difference Number	Difference %	% Market Share 1991	% Market Share 1990
TOTAL RVs	**166,020**	**223,930**	**-57,910**	**-25.9**	**100.00**	**100.00**
Travel Trailers:						
Conventional	27,680	32,000	-4,320	-13.5	16.67	14.29
Park Models	4,040	4,260	-220	-5.0	2.44	1.90
Fifth-wheels	15,470	17,580	-2,110	-12.0	9.32	7.85
All Travel Trailers	47,200	53,840	-6,640	-12.3	28.43	24.04
Folding Camping Trailers	19,850	19,270	580	3.0	11.96	8.61
Truck Campers	5,550	5,740	-190	-3.3	3.34	2.56
TOTAL TOWABLES	**72,600**	**78,850**	**-6,250**	**-7.9**	**43.73**	**35.21**
Motorhomes:						
Class A	13,290	19,480	-6,190	-31.8	8.00	8.70
Class B	2,300	3,570	-1,270	-35.7	1.38	1.59
Class C:						
Minis	7,420	8,960	-1,540	-17.2	4.47	4.00
Low-Profiles	250	410	-160	-38.9	0.15	0.18
Micro-minis	1,270	1,940	-670	-34.7	0.76	0.87
Class C Total	8,940	11,310	-2,370	-21.0	5.38	5.05
TOTAL MOTORHOMES	**24,520**	**34,360**	**-9,840**	**-28.6**	**14.77**	**15.34**
TOTAL TOWABLES & MOTORHOMES	**97,120**	**113,210**	**-16,090**	**-14.2**	**58.50**	**50.56**
Multiuse Van Conversions	68,900	110,720	-41,820	-37.8	41.50	49.44

Note: Data rounded to nearest 10 units; market-share percentages may not add to total because of rounding.

Figure 6